Phoenix Program
Process Definition – Accounts Payable

Revised 2-26-01 replaces 3-15-99 version.

Process	***1099 Processing***
Process Number	***AP-030***

Description of Process

This process enables users to keep track of 1099 vendors and provide 1099-MISC reports to each vendor and an electronic file to the IRS.

Input to Process

1099 Vendor Information

Output of Process

1099 Forms/Electronic File

Service Level Agreement Required? (if yes, provide a brief description)

None

PeopleSoft Panel Groups being Used

Function	Panel Group
Use	Administer Procurement – Enter Voucher Information – **Voucher, Express Voucher, PO Voucher**
Use	Administer Procurement – Maintain Vendors – **1099 Vendor Information**
Use	Administer Procurement – Maintain Vendors – **1099 Adjustments**
Use	Administer Procurement – Maintain Vendors – **1099 Update**
Customized Report	APXXX0413 1099 Detail Report APXXX0412 1099 Summary Report

Business Process Description

Process Description	Responsibility (Agency/Centralized)
Step 1: Enter 1099 Vendors 1099 vendors are those that are not incorporated and therefore do not file corporate tax returns. Payments to these type vendors must be reported. When vendors are marked as 1099 applicable, this classification defaults to any voucher lines entered to that vendor.	Agency
Step 2: Enter 1099 Vouchers The 1099 information defaulting to the voucher needs to be reviewed to ensure that the status recorded is applicable to the vendor payment being processed. This information can be viewed in the voucher via the 1099 button on the Invoice Header and Information panel. This button is only available if the vendor is selected for 1099.	Agency
Step 3: Run 1099 Balance Update The 1099 Balance Update job will be run on a semi-annual basis (August and December). This job updates the 1099 Ledger and creates the 1099 balances that will be reported to the IRS. Once the 1099 Balance Update job has been run, the system grays out all 1099 related fields on the voucher. If changes are needed to the voucher 1099 information after the 1099 Balance Update, the voucher can be "1099 unposted" and changed or corrected via 1099 Adjustments panel.	Financial Systems Solution
Step 4: Agency Verify 1099 Data and Correct Via 1099 Adjustments Panel When it is found that a vendor's 1099 reporting has been overstated or understated, corrections to the vendor's 1099 balance can be made via the 1099 adjustment panel. The vendor must be selected for 1099 to enable this panel to be used. The 1099 Adjustments panel allows users to adjust the overall 1099 balance for a vendor at the business unit level, or to relate an adjustment to a specific voucher. 1099 adjustments are entered by business unit and vendor. Enter the date of the adjustment, the appropriate 1099 code, the dollar amount of the adjustment (either positive or negative), and a reason for the adjustment, and the voucher ID (if applicable). Click the radio button "Post 1099 Balance". The vendor balance will be updated the next time the 1099 Balance Update job is run.	Agency

Process Description	Responsibility (Agency/Centralized)
Step 5: Agency Verify 1099 Data and Correct Via 1099 Update Panel PeopleSoft automatically marks voucher lines as 1099-applicable for vouchers entered to a 1099 established vendor. 1099 information can be updated from this panel either before or after the 1099 Balance Update job has run. If the 1099 Balance Update job has run, the user must click the “Unpost” button to make corrections to the 1099 lines. This button will be grayed out if the 1099 Balance Update job has not been run. The 1099 Code describes the transaction code that will default to all lines of the voucher, if not already specified in the control hierarchy. Enter the 1099 code and select “Mark All“ to have the system flag and display all lines on the voucher as 1099-applicable. To select/deselect individual voucher lines as 1099-applicable, turn on/turn off the 1099 Code check box and select or deselect the 1099 checkbox associated with the line. To deselect all voucher lines, turn on “Clear 1099 Codes”. Use the Post button to repost the 1099 balance for this voucher.	Agency
Step 6: Produce 1099 Vendor Reports/Review Vendor Balances Two reports will be available to review vendor 1099 balances. The APXXX0413 1099 Detail Report will be produced automatically before each 1099 Ledger Update and APXXX0412 1099 Summary Report will be produced automatically after each 1099 Ledger Update. The users can request these reports at any time. Each agency will be responsible for reviewing the reports and making any adjustments or corrections that are necessary using Steps 4 or 5.	Financial Systems Solution/ Agency
Step 7: Produce 1099 Forms/Electronic File Financial System Solutions (FSS) produces the 1099 electronic file that is transmitted to IRS and the 1099MISC forms that are distributed to each agency.	Financial Systems Solution

Forms Used with Process

None

Process Flow Diagram (if appropriate):

APPROVAL FORM

SIGNER	ROLE	APV	NOT APV	DATE
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